

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

CONFERENCE COMMITTEE ON SENATE AMENDMENTS TO HOUSE BILL 642

Call to Order: By **CHAIRMAN BOB STORY JR.**, on April 16, 2003 at 11:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Sen. Bob Story Jr., Chairman (R)
Rep. Ronald Devlin, Chairman (R)
Sen. Bill Glaser (R)
Sen. Ken Toole (D)
Rep. Carol Lambert (R)
Rep. George Golie (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lee Heiman
Lisa Gallagher

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape stamp refers to material immediately following.

Committee Business Summary:

Hearing & Date Posted: HB 642, 4/15/2003
Executive Action: HB 642

EXECUTIVE ACTION ON HB 642

{Tape: 1; Side: A; Approx. Time Counter: 0.6 - 1.3}

Lee Heiman explained the amendment to the Committee.
EXHIBIT (cch82hb0642a01)

Motion: REP. DEVLIN moved that HB 642 BE AMENDED.

Discussion:

SEN. TOOLE asked if this includes income taxes. **Lee Heiman** said that it includes everything but income tax, the wet tax and corporate taxes.

John Fitzpatrick, Northwestern Energy Company, said that more is charged in a good year and less in a bad year. This bill takes out the income tax, and we will only be tracking property taxes. Ninety percent of the taxes that are tracked are property taxes. This does not include federal income taxes, and they are not tracked.

REP. DEVLIN asked if they run into any cases where the property taxes always go down. **John Fitzpatrick** said, "Yes, and in our case property taxes have gone down in the last couple of years."

REP. DEVLIN said that if the taxes go up then you net that out and it goes to adjustment, but if the taxes go down the difference is passed off to the rate payers.

REP. LAMBERT asked if this was calculated once a year. **John Fitzpatrick** said, "That is right."

SEN. TOOLE if this would happen annually. **Greg Jergeson, Public Service Commission (PSC)**, said, "Yes and it will affect about 50 utilities, which covers all regulated utilities." He said that he has a problem with the adjustment going to the utilities who are in financial distrust and a problem with shifting on to the rate payers.

REP. DEVLIN asked if the PSC is aware of utilities that are making over the rate of return. **Greg Jergeson** said, "Yes, they get an annual report and Qwest was in the news recently for earning two times the rate of return."

SEN. TOOLE said that he is concerned with this affecting 50 utilities, and he would like to try and restrict how many this bill applies to.

REP. GOLIE asked **Greg Jergeson** if they have the man power to cover 50 utilities. **Greg Jergeson** said that he is nervous about the man power requirements, because some utilities might be small, but others will not be.

REP. GOLIE said that the fiscal note has no impact.

SEN. STORY asked if this amendment added to the work load. **Greg Jergeson** said that he doesn't object to the amendment it only clarifies, but it does not change the man power requirements.

Motion/Vote: REP. DEVLIN moved that HB 642 BE AMENDED. Motion carried 6-0, by roll call vote.

Motion/Vote: REP. DEVLIN moved that HB 642 DO PASS AS AMENDED. Motion carried 6-0, by roll call vote.

ADJOURNMENT

Adjournment: 11:20 A.M.

SEN. BOB STORY, Chairman

LISA GALLAGHER, Secretary

BS/LG

EXHIBIT (cch82hb0642aad)